ion Bank of India and Central Bank of India are not achieving the stipulated target of 18% of the net bank credit in the field of agriculture sector during the financial year ending 31st March, 1997 and 31st March, 1998;

(b) whether Reserve Bank of India have conducted any study on it and if so, the details thereof; and

(c) what measures Gvoernment propose to take to uplift the agriculture sector and ensure its early implementation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes, Sir. However, Reserve Bank of India (RBI) has reported that Indian Overseas Bank had exceeded the target of 18% of the Net Bank Credit to agriculture for the year ended 31.3.1997 and 31.3.1998.

(b) and (c) With a view to achieving a district and market improvement in the flow of credit to agriculture, all public sector banks were advised to formulate Special Agricultural Credit Plans (SACPs) since 1994-95. Under SACP banks are required to fix self-set targets for achievement during the year. All public sector banks have since been formulating the SACPs. The performance of the banks is being reveiwed periodically. As a result, the disbursements to agriculture have been increasing year after year as indicated below:—

| Year | Disbursement to agriculture (Rs. in crores) |
|---|---|
| 1994-95 | 8255 |
| 1995-96 | 10172 |
| 1996-97 | 12782 |
| 1997-98 | 14803 |

RBI has taken a number of measures to improve the credit flow to agriculture sector which include, inter-alia, strengthening the financial capability of NABARD, setting up of specialised agricultural branches in each State, extending of cash credit facilities for meeting composite credit requirements of farmers, etc. Further, most of the recommendations made by the High Level Committee on Agriculture Credit (R.V. Gupta Committee) appointed by RBI have been accepted which include simplification of procedures regarding loan applications, delegation of powers to branch managers, introduction of composite cash credit limit to agricultural farmers, introduction of new loan products with savings component, cash disbursement of loans, discretion to banks in matters relating to margin/security requirements for agricultural loans above Rs. 10,000/- and dispensing with "No Due Certificate" as a compulsory requirement.

**Stabilisation of Value of Rupee**

235. SHRI SANJAY NIRUPAM: Will the Minister of FINANCE be pleased to state:

(a) whether the value of rupee vis-a-vis U.S. dollar is going down and it has touched the lowest on 19th August, 1998;

(b) if so, whether Government have considered the remifications of this fall in value of rupee on Indian economy;

(c) if so, the details in this regard; and

(d) what steps have been taken or are proposed to be taken to stabilise the value of rupee?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The exchange rate of the rupee against the US dollar was under downward pressure intermittently since the last week of August 1997 and it touched the lowest rate of Rs. 43.42 per US dollar on August 19, 1998. Since then, it appreciated and stabilised at the level of Rs. 42.33 per US dollar by October 1998.

(b) and (c) The exchange rate of the rupee in India is market determined. The downward pressure on the exchange rate since late August 1997 may, largely, be

attributable to adverse sentiments and nervous reactions to the turmoil in the East-Asian financial markets.

(d) The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). While allowing market developments to be reflected in the exchange rate considerations, such as preservation and improvement of external competitiveness, the RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary and other measures.

**Investments in Public Enterprises**

236. SHRI S. RAMACHANDRAN PILLAI:
SHRI E. BALANANDAN:

Will the Minister of FINANCE be pleased to state:

(a) the total Central investment made in the public enterprises in the country during the last three years, State-wise;

(b) whether Government are aware that due to low central investment in comparison to other major States, West Bengal which ranked third till 1990 now stands fourth as far as GDP is concerned; and

(c) what steps Government propose to take to find solution to the problem of unevenness in growth?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Statewise pattern of investment in Public sector enterprises over the years 1994-95, 1995-96 and 1996-97 is given in the Statement.

(b) As per available information, the net state domestic product. (at current prices) of West Bengal was Rs. 57,753 crores in 1995-96 and West bengal ranked fourth amongest states and union territories. However, estimates on state domestic product compiled by Directorate of Economics and Statistics of respective state Governments are not strictly comparable owing to difference in source material used.

(c) In order to remove the disparities in regional development, the Government is laying stress on investgment in agriculture, rural development and irrigation. The strategy also gives primary to removal of unemployment, adequate thrust to promotion of small scale industry and accelerated development of infrastructure.

**Statement**

*State wise Pattern of Investment*

(In Rs. crores)

| Name of the State/UT | As on 31st March, 1997 | As on 31st March, 1996 | As on 31st March, 1995 |
|---|---|---|---|
| 1. Andhra Pradesh | 10421 | 10730 | 10800 |
| 1. Assam | 1423 | 868 | 871 |
| 3. Bihar | 7482 | 6928 | 7194 |
| 4. Gujarat | 3511 | 2229 | 2360 |
| 5. Haryana | 396 | 406 | 319 |
| 6. Himachal Pradesh | 2048 | 1482 | 902 |
| 7. Jammu & Kashmir | 5 | 5 | 5 |
| 8. Karnataka | 2818 | 2868 | 2940 |